CALENDAR ITEM 75

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INFORMATIONAL

SUBJECT:

Status Report on Owens Lake Master Plan

AREA, LAND TYPE, AND LOCATION:

Sovereign lands in Owens Lake, Inyo County.

BACKGROUND:

The United States Environmental Protection Agency (EPA) designated the southern part of the Owens Valley as a Serious Non-Attainment Area for PM-10. PM-10 is an abbreviated reference for suspended particulate (dust) less than or equal to ten microns in mean aerodynamic diameter (approximately 1/10 the diameter of a human hair). The Great Basin Unified Air Pollution Control District (District) subsequently designated the Non-Attainment area as the "Owens Valley PM-10 Planning Area."

The District determined that dust emissions from the dry lakebed of Owens Lake are responsible for causing the air in the Owens Valley PM-10 Planning Area to exceed the PM-10 national ambient air quality standards and that water diversions by the City of Los Angeles Department of Water and Power (City) caused Owens Lake to become dry and the lakebed to be in a condition that produces dust.

On July 28, 1998, the District and the City entered into a Memorandum of Agreement (MOA) for the control of dust from the Owens Lake bed. Pursuant to the MOA, the City must implement specified dust control measures (DCMs), which include shallow flooding, managed vegetation, and gravel to control dust emissions at Owens Lake.

On June 14, 1999, the California State Lands Commission (Commission) authorized the issuance of a 20-year lease to the City for the installation of the Owens Lake South Sand Sheet Air Quality and Sand Fence Monitoring System (Lease PRC 8079.9). This project provided data for the design and implementation of dust control measures as required by the Owens Valley PM-10 Planning Area Demonstration of Attainment State Implementation Plan (SIP)

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dated November 16, 1998. Since that time, the Commission has authorized ten amendments to the lease for the construction, operation, and maintenance of additional dust control components, including shallow flooding, managed vegetation, and gravel cover.

One of the conditions of the Eighth Amendment to the lease, approved by the Commission at its December 2009 meeting, was that the City agreed to "participate in a long-term conservation plan with legally binding requirements to designate an appropriate acreage of shallow flood for the term of the lease or until a Master Plan is approved by the California Department of Fish and Game and the State Lands Commission." This item is an update on the Master Plan process.

STATUS OF OWENS LAKE MASTER PLAN

The City decided to develop a Master Plan using a transparent stakeholder-based collaborative process. The City began the planning process in January 2010 by hiring a facilitator from The Center for Collaborative Policy at California State University, Sacramento. The facilitator has since identified the stakeholders in the process, interviewed the key players, and formed a hierarchy of groups representing the stakeholders and their interests.

Stakeholders include the City, the Commission, the District, the Department of Fish and Game (DFG), Lone Pine Paiute-Shoshone Tribe, the Owens Valley Indian Water Commission, Inyo County, ranchers, mining interests, Lone Pine Chamber of Commerce, environmental and recreation groups and area residents.

The stakeholder structure consists of a Planning Committee, an Agency Forum, a Coordinating Committee, a Stakeholder Forum, and various working groups. The Planning Committee is working to develop a consensus-based plan, which will then be taken to the respective organizations and agencies for consideration and adoption.

The first Planning Committee meeting was held in March 2010. The meetings are scheduled on a monthly basis and are usually held in either Bishop or Keeler, a small town on the eastern edge of Owens Lake. Topics that were discussed at earlier Planning Committee meetings included recognition of the interests of the various stakeholders, identification of the uses on or influenced by the lake (dust control, wildlife habitat, mining), and creation of a charter to guide the Master Plan process. In subsequent Planning Committee meetings, the Plan area was clearly defined (the historical high water mark of the lake) and workgroups were created to identify plan elements.

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The primary plan elements consist of dust control, water conservation, habitat, cultural resources, public access and recreation, mining, grazing, potential for renewable energy such as solar power, opportunities for economic development, and preservation and enhancement of Public Trust values. The Master Plan will integrate the various activities occurring on the lake bed into a comprehensive management approach. It is anticipated that the Master Plan will propose an Owens Lakebed conservation area for habitat enhancement and protection.

In addition to the Planning Committee meetings, there have been several Agency Forum meetings, all held in Sacramento. Attendees to these meetings include staff from the City, Inyo County, the District, the U.S. Fish and Wildlife Service, the DFG, California Department of Water Resources, the State Water Resources Control Board, and the Commission. The purpose of the first Agency Forum meeting was to identify the various agencies that would be involved in the Master Plan process, what their roles would be, what their concerns are, what their internal processes are, and identify any potential policies or practices that could impact or constrain the Master Plan. Subsequent Agency Forums have addressed subjects such as the sequencing of the California Environmental Quality Act (CEQA) process relative to the Master Plan process and the legal framework of the Master Plan. It is anticipated that an implementation plan will be developed in a Memorandum of Agreement (Master Plan MOA) among the implementing parties.

In the Ninth Amendment to the City's lease, it was agreed that the Commission would act as the lead agency for environmental review under CEQA for the Master Plan. The Commission approved hiring an environmental consultant at its August 20, 2010, meeting (Calendar Item 44). The selected consultant is currently engaged in preliminary data gathering and evaluation.

NEXT STEPS:

The Master Plan process is scheduled to be completed by the summer of 2012, but there is some flexibility in the schedule to allow for additional meetings in order to reach consensus on a Master Plan.

The Planning Committee and the various workgroups are currently writing the sections of the Master Plan. It is anticipated that the draft Master Plan will be far enough along for the CEQA process to begin this Summer. A scoping meeting to obtain public comments for the environmental review will likely be held in the Summer or Fall of 2011. The preparation of a draft Environmental Impact Report (EIR) can then proceed. The draft Master Plan may be revised during this time in order to reduce impacts that may be identified during the CEQA process. Work on the Master Plan MOA will also commence during this period. The draft EIR is expected to be completed and released for public review sometime in early 2012.

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The Master Plan MOA, Master Plan, and Final EIR are anticipated to be completed and ready for Commission consideration by Summer 2012.

An additional action that may be ready for Commission consideration at that time is approval of a master lease agreement with the City. As part of the Fifth Amendment to the City's lease, the City agreed to work cooperatively with Commission staff on a master lease agreement to replace the City's existing lease and numerous amendments.